

MINUTE ITEM

5/26/66

17. REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1466.1, VENTURA COUNTY; THE ATLANTIC REFINING COMPANY - W.O. 6142.

After consideration of Calendar Item 21 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO THE ATLANTIC REFINING COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1466.1 THROUGH DECEMBER 31, 1966, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.

Attachment

Calendar Item 21 (1 page)

21.

REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, P.R.C. 1466.1, VENTURA COUNTY;
THE ATLANTIC REFINING COMPANY - W.O. 6142.

An application has been received from The Atlantic Refining Company requesting a deferment of drilling requirements from July 1, 1966, through December 31, 1966, on Oil and Gas Lease P.R.C. 1466.1.

This lease, containing 1175 acres more or less of submerged lands in Ventura County, was issued August 29, 1955, to Richfield Oil Corporation, pursuant to competitive public bidding. Subsequently, Richfield was merged into The Atlantic Refining Company.

The lessee has constructed an earth-filled drilling island and drilled 46 producing wells therefrom and has completed one well with the wellhead on the ocean floor.

On November 17, 1964, the State Lands Division approved a proposed pilot water-flood program for this lease. Since that time a water-source well has been drilled on the island, and one well has been taken off production and converted into a water-injection well. Water injection into this well commenced on June 25, 1965, and to date approximately 290,000 barrels of water have been injected into the producing zone. The zone being flooded has recently begun to show encouraging response. Production from the fault block being flooded has increased.

The Commission, since October 25, 1960, has granted deferments of drilling requirements through June 30, 1966.

At this time the lessee estimates that the pilot water-flood program is about half completed, and requests an additional six-month deferment to provide the time needed to fully evaluate the success of the pilot program.

In conformance with current Commission practice of granting deferments of periods not in excess of six months,

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO THE ATLANTIC REFINING COMPANY A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 1466.1 THROUGH DECEMBER 31, 1966, WITH ALL OTHER TERMS AND CONDITIONS OF THE LEASE TO REMAIN IN FULL FORCE AND EFFECT.